

FISCAL NOTE

SB 1112 - HB 1096

March 24, 2005

SUMMARY OF BILL: Requires the governor to submit a proposal to the Federal Food and Drug Administration and the United States Secretary of Health and Human Services requesting approval for the importation of prescription drugs from Canada for the TennCare program. Authorizes the Commissioner of Finance and Administration to enter into agreements and implement a program that lawfully secures the importation of prescription drugs from Canada for the benefit of state programs and citizens without the necessity of securing approval from the Food and Drug Administration or the Secretary of Health and Human Services.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

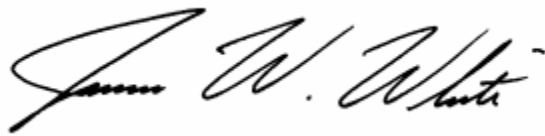
Other Fiscal Impact - To the extent that the state gains approval and implements a program that lawfully imports prescription drugs from Canada, there could be a significant decrease in expenditures, which would include both state and federal funds, estimated to exceed \$20,000,000.

Assumptions:

- There will be a not significant increase in expenditures to the Bureau of TennCare and the Department of Finance and Administration for the development of the proposal to submit to the United States Secretary of Health and Human Services.
- The TennCare program exceeded \$2 billion dollars in prescription drug expenditures in FY04. If such a program existed and resulted in a one percent decrease in expenditures to the TennCare program, it could decrease expenditures in an amount estimated to exceed \$20 million.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director